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OFFICIAL INFORMAL, FOR AMB, DCM, POL AND CG'S

E.O. 12958: N/A

TAGS: AMGT, CA

SUBJECT: OFFICIAL INFORMAL - DAILY ACTIVITY REPORTS,
- DECEMBER 16 AND 22, 2003

1. DAILY ACTIVITY REPORT, DECEMBER 16, 2003

2. SOFTWOOD LUMBER DISPUTE LIVES ON

THE U.S. INTERNATIONAL TRADE COMMISSION HAS REPEATED ITS
EARLIER FINDING OF A THREAT OF HARM FROM CANADIAN LUMBER
IN A DECISION RELEASED TODAY. A NAFTA PANEL HAD REMANDED
THE ITC'S DECISION BASED ON DEFICIENCIES IN THE ITC'S

ORIGINAL DECISION. CANADA'S INTERNATIONAL TRADE MINISTER,
JAMES SCOTT PETERSON, "REGRETTED" THE ITC'S DECISION IN A
STATEMENT RELEASED THIS AFTERNOON. DFAIT SAYS CANADA
"WILL CONTINUE TO WORK WITH THE PROVINCES AND INDUSTRY" ON
ITS TWO-TRACK STRATEGY OF LITIGATION BEFORE NAFTA AND WTO
AND NEGOTIATIONS. (WHEELER)

3. SPENDING "FREEZE" ANNOUNCED

PRIME MINISTER MARTIN TODAY ANNOUNCED A FREEZE ON NEW
CAPITAL SPENDING, HIRING AND CIVIL SERVICE POSITION
RECLASSIFICATIONS (PAY INCREASES) PENDING A FULL SPENDING
REVIEW. THE CURRENT CANADIAN FISCAL YEAR RUNS THROUGH
END-MARCH AND MARTIN'S TEAM WANTS TO SCRUB THE BOOKS TO
FIND MONEY FOR ITS NEW PRIORITIES, NOTABLY NEW AID FOR
CITIES. THE CHRETIEN GOVERNMENT HAS ALREADY COMMITTED C\$2
BILLION OF A DIMINISHING SURPLUS TO THE PROVINCES FOR
HEALTH CARE. THE MARTIN GOVERNMENT WILL PRESENT ITS FIRST

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BUDGET IN LATE FEBRUARY.

4. DAILY ACTIVITY REPORT, DECEMBER 22

5. MV VICTORIA M

THE CANADIAN EMBASSY TODAY PRESENTED A DIPLOMATIC NOTE COVERING A LETTER TO EPA FROM ENVIRONMENT CANADA REQUESTING THE U.S. REMOVE THE MV VICTORIA M FROM CANADA'S EEZ. THE MV VICTORIA M, A DERELICT FISHING BOAT, WAS SCUTTLED PURSUANT TO AN EPA PERMIT. THE PERMIT MISTAKENLY PROVIDED COORDINATES ON THE CANADIAN SIDE OF THE SEA BOUNDARY BETWEEN WASHINGTON STATE AND BRITISH COLUMBIA.

EPA ACKNOWLEDGED ITS MISTAKE. REMOVING THE VESSEL FROM THE 2000' DEEP WATER COULD COST MORE THAN 2 MILLION DOLLARS. (BREESE)

6. INVESTIGATION OF CANADIAN SECURITY INTELLIGENCE - SERVICE (CSIS) ROLE IN ARAR DEPORTATION

ACTING ON ITS OWN INITIATIVE, THE SECURITY INTELLIGENCE REVIEW COMMITTEE (SIRC), AN INDEPENDENT GOVERNMENT AGENCY THAT REPORTS TO PARLIAMENT, WILL INVESTIGATE WHAT ROLE CANADA'S SPY AGENCY MAY HAVE PLAYED IN THE DEPORTATION OF MAHER ARAR TO SYRIA. SIRC RARELY UNDERTAKES INVESTIGATIONS ON ITS OWN INITIATIVE AND FM GRAHAM HAD SAID AN INVESTIGATION WAS UNNECESSARY. CSIS INSISTS IT HAD NO ROLE IN THE DEPORTATION. A DECEMBER 22 SIRC PRESS RELEASE SAID THAT THE INVESTIGATION WILL FOCUS ON E-MAILS BETWEEN CSIS, THE RCMP, DFAIT AND FOREIGN INTELLIGENCE AGENCIES. THE SIRC REPORT IS DUE TO BE RELEASED IN EARLY SPRING 2004 (RYAN/PRESS)
POWELL

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